



California Forestry Association

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To: Climate Action Team
From: California Forestry Association
Date: December 13, 2005
Re: Public Review Draft of Climate Action Team Report to the Governor and Legislature, dated December 8, 2005

The California Forestry Association welcomes the opportunity to discuss how the forest products industry and our forests can play a valuable role in the climate change debate.

There are over 16.5 million acres of productive timberland in California. CFA members own and manage over 4 million of these acres for the production of wood products and for other purposes. Sustained yield requirements found in California's Forest Practice Rules assure that landowners can never harvest more timber than they can grow. In fact, research by the U.S. Forest Service shows that private landowners in this state grow 170% more tree volume than they harvest.

On average, California's forests overall sequester over 5 million tons of carbon each year. Importantly, because wood products such as lumber continue to store carbon long after they have left the tree, about one half of the carbon stored is in the form of wood products (*Forest & Range 2003 Assessment* p. 135). While carbon is stored in forest products, it remains out of the atmosphere. Moreover, studies indicate that the amounts of carbon stored in forest products are increasing annually. (*The sustainable forest products industry, carbon and climate change*, NCASI, p 2.)

Essentially all of the material removed from the forest is used either in products or as biomass fuel in the forest products industry. Therefore, the industry has created and supports an extensive infrastructure essential for collecting biomass from the forests. Biomass fuels are fundamentally different from fossil fuels because biomass fuels recycle carbon to the atmosphere whereas fossil fuels introduce "new" carbon to the atmospheres. This is why biomass fuels are called "carbon-neutral."

However, there is an alarming trend in California; that is, the regulatory environment is discouraging investment in timberland, causing more and more landowners to convert their timberlands to other uses. The Department of Forestry estimates that some 30,000 to 50,000 acres of forests are converted to non-timber uses each year. These lands are permanently lost as carbon sinks, and can actually be turned into a source of greenhouse gas emissions.

Although Californians and others continue to have strong demand for wood products, particularly for housing, some 80% of our lumber needs are met by imports. As I mentioned, the reason for this is clear; the cost of production and the regulatory uncertainty in this state is driving production to other regions of the world. A recent study from Cal Poly University, San Luis Obispo found that forestry-planning costs have increased 1200 % in the last 30 years. Another Cal Poly study found that over-regulation has the unintended consequence of encouraging forestland conversion.

The connections between the forest products industry and the global carbon cycle are complex. Hastily enacted climate change policies can have unintended consequences on the forest products industry. Attempts to increase carbon storage in forests via prohibitions on harvesting can:

- reduce the availability of wood fiber for the forest value chain and for biomass fuels;
- increase the risk of loss of stored carbon via fire or infestation;
- increase the costs of forest products, causing them to lose market share to competing products that do not store carbon and are more energy and carbon intensive.

With regard to the draft Climate Action Team report to the governor and the legislature, CFA submits the following comments:

- The report notes an increasing body of evidence suggests that CO₂ emissions could negatively impact the health of our forests, resulting in the potential for greater wildfires and the loss of productive capacity. This effect, combined with the cost of production and regulatory uncertainty, will have a devastating effect on California's private forests.
- The draft suggests that the greatest carbon storage efforts are shown to occur from such things as afforestation, reforestation, biomass energy, and forest conservation. We think that the state can and should take steps to encourage these activities. No doubt these initiatives hold significant promise for improving the capability of California's timberlands to store carbon.
 - In particular, it is noted on page 62 that "simplification of the permitting processes for forest management and timber harvesting would result in additional carbon being stored over a larger number of acres." We know from our experience that this is the best tool that the state could implement to encourage landowners to meet the dual objectives of enhancing carbon storage and averting more conversions of timberlands to other uses.
- The draft suggests a number of ways that forests can be used to improve the balance between CO₂ emissions and carbon sequestration. We generally concur with many of the recommendations on page 54 of the draft, but take issue with one concept that is promoted in the document.

We strongly disagree with any proposal to increase the rotation age of trees, or dedication of more land to older aged trees. Not only does this recommendation fly in the face of science, but also is another example of a government effort that will serve to exacerbate the conversion of lands to other uses. Further, this will have a negative impact on carbon sequestration. The reason is simple; increasing rotation ages will lower wood product output in California and drive capacity to other states or nations. This concept, known as "leakage," would actually make things worse from a global climate standpoint because production in other regions will have lower carbon storage benefits than are experienced in California.

In addition, this recommendation would only exacerbate the wildfire problem in California. According to the Department of Forestry, wildfires now emit over 7 million tons of CO₂ annually in this state -- more than twice the long-term emission

average. This increase is a direct result of a reduction in intensive forest management practices.

Optimum forest management practices will be those that ensure continued carbon sequestration in the forest, provide wood fiber for biomass-based products and carbon-neutral biomass fuels, and protect the ecological values of the forest in a balanced way.

The income landowners receive from wood products grown on their land encourages them to maintain, renew and manage this valuable resource sustainably. This is an especially important consideration in places facing economic pressures to convert forestland to non-forest uses.

In summary, we think some of the suggestions in the draft are worthy of further exploration. We would be pleased to meet with you to discuss this issue in greater detail than time can afford today.